

# Appendix A

## Key Terms and Acronyms

Unless the context in which the terms and acronyms listed below are used in this report suggests otherwise, they are defined as follows:

**“areawide”** means the area throughout the existing Haines Borough or the area throughout the proposed City and Borough of Haines;

**“Borough”** means the Haines Borough, a third class borough incorporated on August 29, 1968, or the proposed City and Borough of Haines;

**“City”** means the City of Haines, a first class city incorporated in 1910;

**“Commission”** means the Alaska Local Boundary Commission;

**“consolidation”** means the concurrent (1) dissolution the Haines Borough and its reconstitution as the City and Borough of Haines, and (2) dissolution of the City of Haines and its reconstitution as the Townsite Service Area;

**“correspondents”** means the eleven individuals or groups who submitted timely letters to the Local Boundary Commission concerning the consolidation proposal. The correspondents consist of Louis O. Nelson, et al.; Robert A. and Margaret E. Andrews; Margaret H. Piggott; Ron Weishahn; Richmond W. Tolles; Gene Kennedy; Laurie Dadourian; Carolyn Weishahn; Scott Carey; Michael D. Ward; and Ron Jackson.

**“DCED”** means the Alaska Department of Community and Economic Development;

**“general law municipality”** means a municipal corporation and political subdivision of the State of Alaska that has legislative powers conferred by State law; it may be an unchartered first class borough, second class borough, third class borough, first class city, or second class city organized under the laws of the State of Alaska;

**“home rule municipality”** means a municipal corporation and political subdivision of the State of Alaska that has all legislative powers not prohibited by law or charter; it may be a city or a borough (including a unified municipality) that has adopted a home rule charter;

**“Townsite Service Area”** means the proposed service area of the City and Borough of Haines comprising 20.9 square miles with boundaries identical to the existing boundaries of the City of Haines.

**“LBC”** means the Alaska Local Boundary Commission;

**“Petition”** means the December 20, 2000 proposal for consolidation entitled *Petition by the City of Haines for Consolidation of the City of Haines and the Haines Borough as a Home Rule Borough*;

**“Petitioner”** means the City of Haines;

**“Petitioner’s Representative”** means Donald E. Otis, designated representative of the City of Haines for matters relating to the pending consolidation proceedings;

**“nonareawide”** means the current area of the Haines Borough outside City of Haines;

**“Reply Brief”** means the reply brief filed by the Petitioner with the Local Boundary Commission pursuant to 3 AAC 110.490 on April 10, 2001, as corrected on April 12, 2001;

**“Respondent”** means the Haines Borough who gained the status of a respondent by filing a responsive brief.

**“Respondent’s Representative”** means Daniel L. Turner, Haines Borough Assessor and Land Manager, who signed the Responsive Brief on behalf of the Borough.

**“Responsive Brief”** means the *Brief of the Haines Borough in Opposition to the Proposed Consolidation* filed by the Haines Borough with the Local Boundary Commission pursuant to 3 AAC 110.480 on March 2, 2001;

**“service area”** means an area in which borough services are provided that are not offered on an areawide or nonareawide basis, or in which a higher or different level of areawide or nonareawide services are provided; borough service areas are not local governments, they lack legislative and executive powers; nonetheless, borough service areas are local government *units* in the context of the minimum of local government units clause found in Article X, § 1 of Alaska’s Constitution;

**“State”** means the State of Alaska government; and

**“territory”** means the estimated 2,620 square miles within the current boundaries of the Haines Borough.

# Appendix B

## Biographical Information About the Current Members of the LBC

The Commission consists of five members appointed by the Governor for overlapping terms of five years. Members serve at the pleasure of the Governor. The Chairperson is appointed from the state at-large and one member is appointed from each of Alaska's four judicial districts. Members serve without compensation. Appointments to the Commission are made, "...on the basis of interest in public affairs, good judgment, knowledge and ability in the field ... and with a view to providing diversity of interest and points of view in the membership." (AS 39.05.060)

Information about current Commissioners follows.

***Kevin Waring***, a resident of Anchorage, has served on the Commission since July 15, 1996.



He was appointed Chairperson on July 10, 1997. He was reappointed to a new term as Chairperson effective January 31, 1998. Commissioner Waring was one of the original division directors of the former Alaska Department of Community and Regional Affairs (1973-1978). Between 1980 and the spring of 1998, he operated a planning/economics consulting firm in Anchorage. From the spring of 1998 until early 2000, Commissioner Waring was employed as manager of physical planning for the Municipality of Anchorage's Community Planning and Development Department. He has since returned to private consulting. Mr. Waring has been active on numerous Anchorage School District policy and planning committees. His current term on the LBC expires January 31, 2003.

***Kathleen S. Wasserman***, a resident of Pelican, is the Vice-Chairperson of the Commission.



She serves from Alaska's First Judicial District. She was first appointed to the Commission for an unexpired term on September 14, 1995. She was reappointed to a new term beginning January 31, 1996. Commissioner Wasserman also serves as the current Mayor of the City of Pelican. She is currently serves as the District 1 representative on the Alaska Municipal League Board of Directors and as Secretary/Treasurer for the Alaska Conference of Mayors. In the past, Commissioner Wasserman has served as a member of the Assembly of the City and Borough of Sitka and as Mayor of the City of Kasaan. Additionally, she has served as president of the Southeast Island Regional Educational Attendance Area School Board. Commissioner Wasserman is self-employed. Her present term on the Commission expires January 31, 2001.

***Vacant Seat.*** On June 30, 2001, Nancy Galstad, who was appointed to the Local Boundary Commission from the Second Judicial District, resigned from the Commission. The appointment of a replacement has not yet been announced by the Governor.

***Allan Tesche*** serves from the Third Judicial District and is a resident of Anchorage. He was appointed to the LBC on July 10, 1997. In April 1999, Mr. Tesche was elected to the Assembly of the Municipality of Anchorage. In the past, Mr. Tesche has served as Deputy and Assistant Municipal Attorney in Anchorage and Borough Attorney for the Matanuska-Susitna Borough. He is a founder and past president of the Alaska Municipal Attorneys' Association and served as a member of the attorneys' committee which assisted the Alaska legislature in the 1985 revisions to the Municipal Code (AS 29). Mr. Tesche is a shareholder in the Anchorage law firm of Russell, Tesche, Wagg, Cooper & Gabbert, PC. Mr. Tesche's term on the Commission expires January 31, 2002.



***Ardith Lynch*** serves from the Fourth Judicial District and lives in the greater Fairbanks area. She was appointed to the LBC on December 21, 1999. Ms. Lynch is the Borough Attorney for the Fairbanks North Star Borough. She has also worked for the State of Alaska as an Assistant Attorney General and as Deputy Director of the Child Support Enforcement Division. Ms. Lynch has served on the Board of Governors of the Alaska Bar Association and is a past president of the Alaska Municipal Attorneys' Association. Her term on the Commission expires December 21, 2004.



# Appendix C

## Labor Force Statistics for the Haines Borough

### 1996 through April 2001

| 2001                             |       |       |       |       |     |     |     |     |     |     |     |     |                |
|----------------------------------|-------|-------|-------|-------|-----|-----|-----|-----|-----|-----|-----|-----|----------------|
|                                  | Jan   | Feb   | Mar   | Apr   | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Annual Average |
|                                  | (r)   | (r)   | (r)   | (p)   |     |     |     |     |     |     |     |     |                |
| Labor Force                      | 1,224 | 1,247 | 1,250 | 1,249 |     |     |     |     |     |     |     |     |                |
| Employment                       | 1031  | 1,048 | 1,076 | 1,091 |     |     |     |     |     |     |     |     |                |
| Unemployment                     | 193   | 199   | 174   | 158   |     |     |     |     |     |     |     |     |                |
| Rate                             | 15.8  | 16    | 13.8  | 12.7  |     |     |     |     |     |     |     |     |                |
| Data not available               |       |       |       |       |     |     |     |     |     |     |     |     |                |
| (r) denotes revised estimate     |       |       |       |       |     |     |     |     |     |     |     |     |                |
| (p) denotes preliminary estimate |       |       |       |       |     |     |     |     |     |     |     |     |                |

| 2000         |       |       |       |       |       |       |       |       |       |       |       |       |                |
|--------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|----------------|
|              | Jan   | Feb   | Mar   | Apr   | May   | Jun   | Jul   | Aug   | Sep   | Oct   | Nov   | Dec   | Annual Average |
| Labor Force  | 1,211 | 1,225 | 1,247 | 1,211 | 1,217 | 1,234 | 1,277 | 1,259 | 1,226 | 1,198 | 1,199 | 1,200 | 1,225          |
| Employment   | 1,002 | 1,021 | 1,042 | 1,064 | 1,128 | 1,169 | 1,232 | 1,227 | 1,187 | 1,107 | 1,082 | 1,062 | 1,110          |
| Unemployment | 209   | 204   | 205   | 147   | 89    | 65    | 45    | 32    | 39    | 91    | 117   | 138   | 115            |
| Rate         | 17.3  | 16.7  | 16.4  | 12.1  | 7.3   | 5.3   | 3.5   | 2.5   | 3.2   | 7.6   | 9.8   | 11.5  | 9.4            |

| 1999         |       |       |       |       |       |       |       |       |       |       |       |       |                |
|--------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|----------------|
|              | Jan   | Feb   | Mar   | Apr   | May   | Jun   | Jul   | Aug   | Sep   | Oct   | Nov   | Dec   | Annual Average |
| Labor Force  | 1,200 | 1,238 | 1,241 | 1,256 | 1,270 | 1,274 | 1,309 | 1,287 | 1,235 | 1,225 | 1,231 | 1,222 | 1,249          |
| Employment   | 1,011 | 1,020 | 1,033 | 1,072 | 1,140 | 1,179 | 1,249 | 1,234 | 1,195 | 1,110 | 1,078 | 1,054 | 1,115          |
| Unemployment | 189   | 218   | 208   | 184   | 130   | 95    | 60    | 53    | 40    | 115   | 153   | 168   | 134            |
| Rate         | 15.8  | 17.6  | 16.8  | 14.6  | 10.2  | 7.5   | 4.6   | 4.1   | 3.2   | 9.4   | 12.4  | 13.7  | 10.7           |

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## Appendix D

## 1999 Employment and Payroll Data for the Haines Borough

| INDUSTRIAL CLASSIFICATION                    | Haines Borough |     |     |     |     |       |       |       |       |     |     |     | ANNUAL AVG<br>NO EMP | YEARLY<br>EARNINGS (\$) | ANNUAL AVG<br>EARN (\$) |
|--|----------------|-----|-----|-----|-----|-------|-------|-------|-------|-----|-----|-----|----------------------|-------------------------|-------------------------|
|  | JAN            | FEB | MAR | APR | MAY | JUN   | JUL   | AUG   | SEP   | OCT | NOV | DEC |                      |                         |                         |
|  | EMP            | EMP | EMP | EMP | EMP | EMP   | EMP   | EMP   | EMP   | EMP | EMP | EMP |                      |                         |                         |
| <b>TOTAL INDUSTRIES</b>                      | 803            | 802 | 623 | 601 | 640 | 1,050 | 1,134 | 1,275 | 1,450 | 875 | 725 | 687 | 568                  | \$ 23,314,715           | \$ 2,188                |
| <b>PRIVATE OWNERSHIP</b>                     | 417            | 406 | 426 | 498 | 734 | 895   | 896   | 1,121 | 1,225 | 660 | 533 | 492 | 869                  | \$ 17,443,407           | \$ 2,078                |
| <b>TOTAL GOVERNMENT</b>                      | 386            | 396 | 197 | 103 | 206 | 155   | 148   | 154   | 225   | 215 | 192 | 195 | 189                  | \$ 5,871,311            | \$ 2,583                |
| <b>CONSTRUCTION</b>                          | 10             | 12  | 15  | 23  | 46  | 43    | 96    | 71    | 62    | 68  | 34  | 18  | 33                   | \$ 1,875,070            | \$ 4,164                |
| 15 General building contractors              | -              | 2   | 3   | 4   | 9   | 15    | 10    | 28    | 25    | 23  | 8   | 11  | 12                   | \$ 723,973              | \$ 1,877                |
| 16 Heavy construction contractors, excluding | 9              | 9   | 11  | 17  | 37  | 26    | 35    | 40    | 34    | 38  | 23  | 4   | 24                   | -                       | -                       |
| 17 Special trade contractors                 | 1              | 1   | 1   | 2   | 3   | 7     | 3     | 3     | 3     | 5   | 3   | 1   | 2                    | -                       | -                       |
| <b>MANUFACTURING</b>                         | 5              | 5   | 5   | 7   | 9   | 14    | 46    | 140   | 402   | 30  | 8   | 6   | 57                   | \$ 4,434,093            | \$ 5,511                |
| <b>NONDURABLE GOODS</b>                      | 5              | 5   | 5   | 7   | 9   | 14    | 46    | 140   | 402   | 30  | 8   | 6   | 57                   | \$ 4,434,093            | \$ 5,511                |
| 20 Food & kindred products                   | 2              | 1   | 1   | 3   | 5   | 10    | 38    | 133   | 394   | 25  | 2   | 2   | 51                   | -                       | -                       |
| 24 Lumber & wood products                    | -              | -   | -   | -   | -   | -     | -     | -     | -     | -   | -   | -   | -                    | -                       | -                       |
| 27 Printing & publishing                     | 4              | 4   | 4   | 4   | 4   | 4     | 7     | 7     | 7     | 8   | 8   | 7   | 5                    | -                       | -                       |
| <b>TRANS., COMM. &amp; UTILITIES</b>         | 82             | 80  | 69  | 111 | 139 | 181   | 171   | 173   | 149   | 108 | 196 | 197 | 123                  | \$ 2,805,863            | \$ 2,801                |
| 41 Local & interurban passenger transit      | 4              | 4   | 4   | 4   | 4   | 4     | 11    | 13    | 9     | 5   | 5   | 4   | 7                    | -                       | -                       |
| 42 Trucking & warehousing                    | 5              | 5   | 5   | 5   | 5   | 5     | 5     | 5     | 5     | 5   | 5   | 5   | 5                    | -                       | -                       |
| 44 Water transportation                      | 1              | 1   | 1   | 1   | 1   | 1     | 1     | 1     | 1     | 1   | 1   | 1   | 1                    | \$ 168,021              | \$ 1,867                |
| 45 Transportation by air                     | 54             | 51  | 45  | 52  | 74  | 89    | 97    | 91    | 79    | 59  | 39  | 64  | 66                   | \$ 1,532,177            | \$ 1,859                |
| 47 Transportation services                   | 3              | 3   | 3   | 3   | 3   | 3     | 3     | 3     | 3     | 3   | 3   | 3   | 3                    | \$ 130,623              | \$ 1,244                |
| 49 Communication                             | 18             | 18  | 18  | 19  | 19  | 19    | 21    | 20    | 17    | 16  | 13  | 14  | 18                   | \$ 544,488              | \$ 2,508                |
| 49 Electric, gas & sanitary services         | 8              | 8   | 5   | 7   | 9   | 10    | 8     | 10    | 9     | 11  | 8   | 7   | 9                    | \$ 269,763              | \$ 2,545                |
| <b>TOTAL TRADE</b>                           | 107            | 131 | 160 | 184 | 259 | 321   | 338   | 345   | 286   | 260 | 201 | 187 | 234                  | \$ 3,788,533            | \$ 1,390                |
| <b>WHOLESALE TRADE</b>                       | 8              | 8   | 8   | 9   | 9   | 9     | 13    | 13    | 13    | 13  | 8   | 7   | 10                   | \$ 303,213              | \$ 2,637                |
| 51 Wholesale trade-nondurable goods          | 8              | 8   | 8   | 9   | 9   | 9     | 13    | 13    | 13    | 13  | 8   | 7   | 10                   | \$ 303,213              | \$ 2,637                |
| <b>RETAIL TRADE</b>                          | 148            | 143 | 151 | 175 | 250 | 312   | 325   | 332   | 273   | 200 | 193 | 160 | 224                  | \$ 3,485,320            | \$ 1,265                |
| 52 Building materials & garden supplies      | 13             | 13  | 14  | 14  | 13  | 22    | 21    | 22    | 16    | 13  | 14  | 16  | 16                   | \$ 312,884              | \$ 1,637                |
| 54 Food stores                               | 51             | 48  | 45  | 58  | 70  | 75    | 84    | 89    | 73    | 72  | 70  | 71  | 68                   | \$ 1,007,998            | \$ 1,235                |
| 55 Automotive dealers & service stations     | 1              | 1   | 1   | 4   | 4   | 4     | 3     | 3     | 4     | 4   | 4   | 4   | 3                    | -                       | -                       |
| 56 Apparel & accessory stores                | 1              | 1   | 1   | 1   | 1   | 1     | 1     | 1     | 1     | 1   | 1   | 1   | 1                    | -                       | -                       |
| 57 Furniture & home furnishings stores       | 1              | 1   | 1   | 1   | 1   | 2     | 2     | 2     | 2     | 2   | 2   | 2   | 2                    | -                       | -                       |
| 58 Eating & drinking places                  | 42             | 41  | 40  | 48  | 83  | 113   | 114   | 108   | 89    | 59  | 56  | 48  | 70                   | \$ 1,171,305            | \$ 1,156                |
| 59 Miscellaneous retail                      | 39             | 38  | 36  | 50  | 78  | 95    | 100   | 107   | 86    | 50  | 47  | 49  | 65                   | \$ 1,098,780            | \$ 1,406                |
| <b>FINANCE, INS. &amp; REAL ESTATE</b>       | 17             | 15  | 23  | 20  | 21  | 22    | 23    | 29    | 20    | 18  | 19  | 20  | 20                   | \$ 519,106              | \$ 2,145                |
| 60 Depository institutions                   | 11             | 11  | 11  | 12  | 12  | 14    | 13    | 12    | 13    | 12  | 12  | 11  | 12                   | -                       | -                       |
| 64 Insurance agents, brokers & service       | 3              | 3   | 3   | 3   | 3   | 3     | 4     | 4     | 4     | 4   | 4   | 4   | 4                    | -                       | -                       |
| 65 Real estate                               | 3              | 5   | 9   | 5   | 6   | 5     | 6     | 4     | 3     | 2   | 3   | 5   | 5                    | \$ 31,287               | \$ 569                  |
| <b>SERVICES</b>                              | 135            | 129 | 134 | 161 | 237 | 334   | 342   | 372   | 367   | 239 | 171 | 153 | 227                  | \$ 3,886,143            | \$ 1,419                |
| 70 Hotels & other lodging places             | 12             | 11  | 10  | 20  | 40  | 71    | 75    | 70    | 50    | 37  | 31  | 21  | 40                   | \$ 477,930              | \$ 1,009                |
| 72 Personal services                         | 2              | 2   | 2   | 2   | 2   | 2     | 2     | 2     | 2     | 2   | 2   | 2   | 2                    | -                       | -                       |
| 73 Business services                         | 2              | 3   | 1   | 1   | 1   | 1     | 1     | 1     | 1     | 1   | 1   | 1   | 1                    | -                       | -                       |
| 75 Auto repair, services & parking           | 14             | 11  | 13  | 10  | 13  | 12    | 11    | 11    | 17    | 16  | 14  | 13  | 13                   | \$ 249,391              | \$ 1,809                |
| 78 Motion pictures                           | 7              | 6   | 6   | 5   | 4   | 7     | 8     | 8     | 7     | 7   | 7   | 5   | 6                    | -                       | -                       |
| 79 Amusement & recreation services           | 23             | 23  | 22  | 33  | 94  | 187   | 182   | 199   | 143   | 82  | 27  | 27  | 40                   | \$ 1,463,981            | \$ 1,434                |
| 80 Health services                           | 25             | 23  | 25  | 26  | 25  | 26    | 23    | 28    | 28    | 28  | 25  | 23  | 26                   | \$ 840,430              | \$ 2,711                |
| 81 Legal services                            | 1              | -   | -   | -   | -   | 1     | -     | 1     | -     | -   | -   | -   | -                    | -                       | -                       |
| 83 Social services                           | 16             | 18  | 21  | 18  | 26  | 10    | 6     | 9     | 15    | 18  | 18  | 19  | 18                   | \$ 399,731              | \$ 1,062                |
| 86 Membership organizations                  | 26             | 25  | 26  | 27  | 29  | 27    | 31    | 31    | 32    | 28  | 31  | 28  | 29                   | \$ 249,526              | \$ 1,127                |
| 87 Engineering & management services         | 5              | 5   | 5   | 8   | 7   | 8     | 6     | 5     | 9     | 5   | 9   | 7   | 6                    | \$ 190,263              | \$ 2,479                |
| 89 Private households                        | 2              | 2   | 2   | 3   | 2   | 2     | 2     | 3     | 3     | 3   | 3   | 3   | 3                    | \$ 24,012               | \$ 632                  |
| <b>Federal Government</b>                    | 11             | 11  | 10  | 11  | 13  | 12    | 12    | 12    | 13    | 11  | 10  | 11  | 11                   | \$ 565,737              | \$ 4,307                |
| <b>State Government</b>                      | 29             | 25  | 25  | 36  | 40  | 49    | 49    | 48    | 51    | 38  | 29  | 29  | 37                   | \$ 1,482,731            | \$ 3,316                |
| <b>Local Government</b>                      | 148            | 140 | 162 | 148 | 104 | 94    | 87    | 94    | 101   | 105 | 153 | 155 | 140                  | \$ 3,602,843            | \$ 2,264                |

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# Appendix E

## History of Haines Borough Incorporation and Annexations

While Alaska was a territory, residents of Haines formed a school district with taxing powers known as the Haines Independent School District. Eight other areas of Alaska had also formed independent school districts (Ketchikan, Sitka, Juneau, Kodiak, Kenai, Anchorage, Palmer, and Fairbanks).

Although permitted under Territorial law, independent school districts were not recognized under the Constitution of the State of Alaska, which became effective on January 3, 1959. The Constitution provided that the legislature must enact measures for the transition of independent school districts into governmental forms that were recognized under the Constitution.

Two years later, the legislature adopted the Borough Act of 1961 establishing standards and procedures for borough formation. The Act also provided that independent school districts would be dissolved and their functions integrated into newly formed boroughs by July 1, 1963.

However, when the 1963 Legislature convened, none of the nine independent school districts had been dissolved in favor of borough governments. Less than six months remained before the July 1 deadline for dissolution of independent school districts.

Representative John L. Rader (D-Anchorage) considered the lack of progress on the issue of dissolution of special districts and formation of boroughs to be the “greatest unresolved political problem of the State.” (See *The Metropolitan Experiment in Alaska – a Study of Borough Government*, edited by Ronald C. Cease and Jerome R. Saroff, page 93 [1968].)

Consequently, Representative Rader drafted and introduced House Bill No. 90 extending the deadline for dissolution of independent school districts by one year to July 1, 1964. House Bill No. 90 also provided that nine areas of the state encompassing independent school districts would be incorporated as boroughs by legislative fiat if the voters in those regions failed to form boroughs prior to January 1, 1964. The nine regions were designated as follows in Section 3 of House Bill No. 90

- |  |  |
|--|--|
| (1) Anchorage Election District                    | (6) Sitka Election District                  |
| (2) Lynn Canal – Icy Straits Election District     | (7) Fairbanks – Fort Yukon Election District |
| (3) Ketchikan – Prince of Wales Election District  | (8) Juneau Election District                 |
| (4) Kodiak Election District                       | (9) Kenai – Cook Inlet Election District.    |
| (5) Palmer – Wasilla – Talkeetna Election District |  |

The Lynn Canal – Icy Straits Election District was defined in the December 7, 1961 proclamation of the governor as follows:

That part of the mainland, not included in District No. 4,<sup>E-1</sup> drained by streams flowing into Lynn Canal, Glacier Bay, Icy Strait, Cross Sound, and their tributaries, and the Pacific Ocean, to and including the area drained into Icy Bay to the west; those parts of Admiralty and Chichagof Island drained by streams flowing into Icy Strait, Cross Sound, and their tributaries; and Yakobi, Lemesurier, and Pleasant Islands, and other smaller adjacent islands.

Ultimately, House Bill No. 90 was amended to exclude the Lynn Canal – Icy Straits Election District, apparently in an attempt to win passage. Following the amendment, House Bill No. 90 (commonly referred to as the Mandatory Borough Act) passed by one vote in the Senate. Governor Egan signed House Bill No. 90 into law.

While Haines and other communities in the Lynn Canal – Icy Straits Election District were excluded from the areas required to form boroughs under the Mandatory Borough Act, the general provisions of the new law still required the Haines Independent School District to transition to a constitutionally recognized form of government by July 1, 1964.

In March 1964, the Local Boundary Commission approved a proposal to form a first class borough in Haines. However, voters rejected the proposal. The Haines Independent School District was dissolved on July 1, 1964, in accordance with the general provisions of the Mandatory Borough Act.

In August 1964, the Commissioner of the Alaska Department of Education formed the Haines-Port Chilkoot Special School District under an obscure statutory provision. Apparently disappointed by the action taken by the Commissioner of the Department of Education, the 1966 Legislature repealed authority for such special school districts. Even though it lacked legal authority to carry on, the Haines-Port Chilkoot Special School District continued to operate.

<sup>E-1</sup> (Footnote by DCED) District No. 4 was the Juneau Election District defined as:

The mainland north of District No. 2 (Wrangell Petersburg) up to and including the area drained by streams flowing into Berners Bay on the north; and that area of Admiralty Island north of District No. 2 and drained by streams flowing into Stephens Passage, Seymour Canal, Lynn Canal, and their tributaries; and including Douglas, Shelter, and Benjamin Islands, and other small adjacent islands.

In the Spring of 1967, the LBC approved a second petition to incorporate a borough in Haines, this time as a second class borough. However, voters also rejected that proposal. In October 1967, the State Attorney General advised the Department of Education to discontinue funding for the Haines-Port Chilkoot Special School District because it had no legal basis.

Following the action by the State Attorney General's office, the City of Haines and second class City of Port Chilkoot each organized city school districts. The State school district served students outside the two cities. Thus, three school districts served a total of 346 students in the Haines area in 1967.

A third proposal to form a borough – again, a second class borough – was prepared shortly after voters rejected the second proposal in October of 1967.

It is particularly noteworthy in the context of the pending consolidation proposal that the record shows that residents of Haines had strong interest in consolidation of the city and prospective borough governments even before the Haines Borough was formed. Specifically, it was reported more than thirty-three years ago that:<sup>E-2</sup>

The Local Affairs Agency has participated with the citizens in the Haines Area in various community discussions concerning municipal government in the area. . . . There has been considerable discussion of the desirability of dissolving the [City of Haines and the City of Port Chilkoot] and creating a service area within the proposed borough.

Like the two preceding borough proposals, the third proposal to form a borough in Haines was also rejected by the voters.

Subsequently, residents of the Haines area successfully lobbied the legislature to create a new class of borough — essentially a municipal school district with taxing powers. Unlike other organized boroughs, a third class borough has no mandatory areawide planning, platting, and land use regulation powers.

On May 28, 1968, voters in Haines petitioned to incorporate a third class borough. The Local Boundary Commission subsequently approved the proposal. On August 28, 1968, voters in Haines approved incorporation of the Borough by a vote of 180 to 61. The Borough was incorporated following certification of the election results on August 29, 1968.

The original boundaries of the Borough encompassed approximately 2,200 square miles. Klukwan, located about 21 miles north of Haines along the Haines Highway, and the military petroleum distribution facility at Lutak Inlet were excluded from the Borough.

<sup>E-2</sup> See *Incorporation of the Haines Borough, Report to the Local Boundary Commission on a proposal to incorporate an organized borough in the Haines-Port Chilkoot area*, Local Affairs Agency, page 10 (January 1968).

In 1974, the Haines Borough petitioned for annexation of approximately 420 square miles to the south. The area proposed for annexation encompassed the commercial fish processing facility at Excursion Inlet as well as an estimated 442,354 acres of Tongass National Forest lands.<sup>E-3</sup> The annexation was approved by the LBC and took effect following review by the Legislature in 1975.

In 1976, the Haines Borough petitioned for annexation of the former military petroleum distribution facility at Lutak Inlet. That annexation proposal was approved by the LBC in 1977 and took effect in 1978 following review by the legislature.

The corporate boundaries of the Haines Borough have remained unchanged since 1978.

<sup>E-3</sup> The January 1968 Local Affairs Agency's report on the Haines Borough incorporation estimated that there were 474,000 acres of National Forest lands within the area proposed for incorporation. There are currently 916,354 acres of National Forest lands within the Haines Borough according to Community Financial Assistance, DCRA, (Fiscal Year 1998). Thus, it is estimated that the 1975 annexation added 442,354 acres of National Forest lands to the Haines Borough, an increase of 93.3% of such lands within the Borough.

